



UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF THE DEPUTY SECRETARY

October 18, 2011

The Honorable Mitch Daniels  
Office of the Governor  
Statehouse  
Indianapolis, Indiana  
46204-2797

Dear Governor Daniels:

During the week of May 23, 2011, staff from the State Fiscal Stabilization Fund (SFSF) program from the U.S. Department of Education conducted the first of two monitoring reviews of your State's implementation of the SFSF program. Your State's SFSF contacts were extremely helpful in coordinating and responding to this desk review.

During the monitoring review, we discussed your State's policies, procedures, and activities related to the SFSF program. We spoke with officials at local educational agencies (LEAs) that received Education Stabilization Fund grants and public institutions of higher education (IHEs), as well as representatives of entities that received Government Services Fund grants. A complete description of the scope of the monitoring review and the SFSF monitoring protocols are available on the Department's website at <http://www.ed.gov/programs/statestabilization/applicant>.

The Department found that the State implemented the program expeditiously and effectively in order to meet the financial needs of LEAs and other State agencies. This report demonstrates Indiana's commitment to ensuring that the funds were spent quickly, while balancing the need for accountability and transparency.

The Department identified three issues regarding the State's implementation of the program. In particular, the Department found issues related to LEA applications, fiscal oversight, and subrecipient monitoring. Because the State has taken the actions to correct all of the issues above, there are no outstanding issues for the State to resolve.

The Department is grateful for the cooperation and responsiveness of the staff in Indiana. Monitoring not only helps States to achieve high-quality implementation but also helps the Department to improve its role as an advisor and partner with States in this effort. As we work together, we want this process to be interactive and helpful.

[www.ed.gov](http://www.ed.gov)

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*The Department of Education's mission is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access.*

We will be contacting your office in the future to schedule the second monitoring review of the State's implementation of the SFSF program. We look forward to collaborating with you and the other officials in Indiana who are working on this critical educational initiative.

Sincerely,

//s//

Ann Whalen  
Director, Policy and Program Implementation  
Implementation and Support Unit